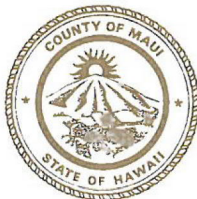


ALAN M. ARAKAWA
MAYOR



200 South High Street
Wailuku, Hawai'i 96793-2155
Telephone (808) 270-7855
Fax (808) 270-7870
e-mail: mayors.office@mauicounty.gov

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

TESTIMONY OF ALAN ARAKAWA, MAYOR COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Tuesday, February 17, 2015
10:00 a.m.
Conference Room 309

HB 1075 RELATING TO HEALTH

Honorable Mark M. Nakashima, Chair
Honorable Jarrett Keohokalole, Vice Chair
Honorable Members of the House Committee on Labor & Public Employment

Thank you for this opportunity to testify in strong **SUPPORT** of **HB 1075** which authorizes the Maui Regional System to enter into an agreement with a private entity to transition one or more of facilities into a new private Hawaii nonprofit corporation.

As I see it, each and every one of us, no matter which island we reside on, want our families, children, grandparents, and friends to have access to the highest quality of health care services.

Our regional hospitals, however, are currently in need of help. I, along with a growing number of residents, believe that we are quickly nearing a real "health care crisis" and that something needs to be done right away. We cannot ignore the fact that the Maui Memorial, a state-funded medical facility, is facing a serious financial deficit and will continue to be a significant burden on the state.

In 2014, MMC's operating expenses increased \$19 million due, in large part, to new federally mandated requirements and increased collective bargaining costs. As operating expenses increased, the state's general fund appropriations to HHSC was reduced by approximately \$17 million, and (I've been told) the federal budget includes nearly \$400 billion in reductions and reforms to Medicare, Medicaid, and other federal health related programs over the next decade.

It has also been reported that:

- MMMC ended fiscal year 2014 with an operating loss of \$43.4 million;
- An additional \$46.3 million loss is projected for FY 2015;
- MMMC projects that it will need between \$573 million and \$843 million in State funding over the next 10 years to continue operating at current levels; and,

These statistics raise serious concerns. With reduced state and federal subsidies, Maui Memorial will have to consider decreasing its operating costs, which would likely lead to reduced health care services. Any reduction in services (the adolescent behavioral health unit, Molokini II, has already been closed) would inevitably result in lay-offs. Maui Memorial employs approximately 1,400 residents.

All of the nearly 160,000 residents and 2.3 million visitors per year depend upon Maui Memorial, **the only** full-service, acute care facility in the county, to meet their health care needs. Any reduction of health care services would be devastating to our communities, on tourism, and on our economy.

Please know that I believe that MMMC, Kula Hospital and Lanai Community Hospital have some of the best and most talented and caring doctors, nurses and staff around. However, with the on-going challenges, including reductions in state and federal subsidies, budget shortfalls, aging and shortage of physicians, and deteriorating facilities, it is simply unrealistic to continue down the same path.

For these reasons I strongly support HB 1075.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
HOUSE BILL NOS. 1075, H.D. 1 AND 1112, H.D. 1

February 17, 2015

RELATING TO HEALTH
RELATING TO HAWAII HEALTH SYSTEMS CORPORATION

The following measures on this agenda all attempt to address in various different ways the issue of facilitating sustainability of the Hawaii Health Systems Corporation (HHSC):

- House Bill (H.B.) No. 1075, H.D. 1, authorizes the Maui Regional System to enter into an agreement with a private entity to transition one or more of its facilities into a new private Hawaii nonprofit corporation.
- H.B. No. 1112, H.D. 1, reconsolidates HHSC's operational administration and oversight by eliminating regional system boards; repeals certain limits on operational authority; and creates new bargaining units for HHSC employees.

The Department of Budget and Finance supports the general intent of transitioning HHSC into "a more economically efficient system of health care delivery." The issues involved in facilitating HHSC sustainability are complex and multifaceted. For this reason, we would recommend moving all of these bills along to enable further discussion and deliberation.

The Ige Administration will work with the applicable committees during the course of this session to attempt to develop a realistic and workable framework for moving forward to ensure that vital health care services will be provided either through a restructured HHSC or some other appropriate entity.



TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL TWENTY-EIGHTH LEGISLATURE, 2015

ON THE FOLLOWING MEASURE:

H.B. NO. 1075, H.D. 1, RELATING TO HEALTH.

BEFORE THE:

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

DATE: Tuesday, February 17, 2015

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 309

TESTIFIER(S): Russell A. Suzuki, Attorney General, or
Andrea J. Armitage, Deputy Attorney General

Chair Nakashima and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill would create a new part in chapter 323F, Hawaii Revised Statutes (HRS), with respect to the Hawaii Health Systems Corporation (HHSC) to enable a public-private collaboration and eventual transition of Maui regional system health care facilities to a private nonprofit corporation ("transitioned facility"). It provides that the Maui regional system board may enter into leases of the real property under its custodial control to the transitioned facility at a nominal rent. The measure provides for current and future liabilities to be assigned to either the State or the transitioned facility. Also, the bill would require the State to subsidize the operation of any transitioned facility and jointly fund capital expenditures for up to ten years.

We have a number of concerns about this bill.

A. The Timeframes for Allocation of Current and Future Liabilities of the Transitioned Facility Are Not Specified.

Proposed section 323F-F establishes whether the State, the HHSC corporation, the Maui region, or the transitioned facility is responsible for certain liabilities. Proposed subsection (a), page 5, lines 8-19, provides that the State, the Maui region, HHSC, or one or more of these entities as provided in the lease shall assume current liabilities, including liability for the "current outstanding post-employment benefits." However, the bill does not indicate when this should occur. We would recommend that the bill provide that those liabilities shall be assumed "as of the effective date of the lease."

Proposed subsection (b), page 6, lines 4-6, provides that "[a]ll future liabilities arising out of the transitioned facility's operation of the lease facilities shall be the responsibility of the transitioned facility." Similar to the previous subsection, we would recommend that the bill specify a condition that would make it clear when liabilities become "future liabilities," such as "as of the effective date of the lease."

B. This Bill Does Not Appropriate Moneys to the Transitioned Facility.

Proposed sections 323F-H and 323F-I, on page 7, lines 13-20 through page 8, lines 1-14, of the bill, purport to require the State to subsidize the operations, and jointly fund the capital expenditures, of the transitioned facility for up to ten years. However, these sections (1) cannot bind successive Legislatures to make particular appropriations, (2) do not require the Legislature to appropriate a specific amount to the transitioned facility, and (3) act only as an intention by the Legislature to appropriate funds in the future. Once appropriated, the only way for the State to give the moneys to a private entity is pursuant to a chapter 42F grant.

1. One Legislature Cannot Obligate a Future Legislature to Make an Appropriation.

Proposed sections 323F-H and 323F-I are not enforceable mandates that require the appropriation of moneys in future fiscal years, because "one Legislature may not bind a successor Legislature (or even itself) to make an appropriation." Town of Milton, 623 N.E.2d at 484. Article III, section 1, of the Hawaii State Constitution provides:

The legislative power of the State shall be vested in a legislature, which shall consist of two houses, a senate and a house of representatives. Such power shall extend to all rightful subjects of legislation not inconsistent with this constitution or the Constitution of the United States.

Thus, the Legislature has complete legislative authority and may enact legislation as it determines except as limited by the State Constitution or the Constitution of the United States. See, e.g., State ex. rel. Stenberg v. Moore, 544 N.W.2d 344, 349 (Neb. 1996); Opinion of the Justices, 623 A.2d 1258, 1262 (Me. 1993). If interpreted as compulsory, sections 323F-H and 323F-I, requiring the Legislature to appropriate funds in the future as specified in those provisions, would violate Article III, section 1, of the Hawaii State Constitution, by attempting to control the power of a succeeding Legislature to legislate. At best, the provisions could be interpreted as advisory only, and therefore, unenforceable.

With respect to proposed sections 323F-H and 323F-I, we recommend that those sections be deleted in their entirety because they are not legally enforceable. We are concerned that if these provisions remain and the bill is enacted, prospective corporations interested in becoming a "transitioned facility" would believe that these provisions are enforceable and they would become part of their assumptions when negotiating the leases. This could lead to a mistaken understanding and possible litigation. An alternative would be to provide that the State shall use its best efforts to provide general fund support to the transitioned facility for both operating and capital expenses, and make those provisions clearly contingent upon future legislative appropriations.

2. The Legislature May Appropriate Moneys to Private Entities Only as Provided by Law.

Article VII, section 4, of the Hawaii State Constitution provides that "[n]o grant of public money or property shall be made except pursuant to standards provided by law." Chapter 42F, HRS, provides the legal standards by which public moneys could be provided to the transitioned facility pursuant to a grant in future legislation. The transitioned facility would have to apply for the chapter 42F grant, meet the requirements in section 42F-103, and then enter into a contract with the expending agency pursuant to section 42F-104.

If the Committee prefers different standards for providing moneys to the transitioned facility, it could specify those standards in this bill or another bill for that purpose.

C. Additional concerns

1. The bill in proposed section 323F-B, page 2, lines 10-19, does not make it clear that there shall be a management agreement with the private entity that is separate from the lease agreement in proposed section 323F-D, page 3, lines 8-20 through page 4, lines 1-16. Further, section 323F-C, page 2, lines 20-21 through page 3, lines 1-7, regarding approval of the management agreement by the Attorney General, the Director of Finance, and the Governor, does not appear to apply to the lease agreement.

2. The bill's provisions regarding the lease agreement do not provide for termination for convenience by the State; only for good cause and with 365 days' notice, page 4, lines 5-9. It is not clear that if the transitioned hospital is not complying with proposed section 323F-I with

respect to strategic commitment and performance on page 8, lines 12-21 through page 9, lines 1-19, that the lease may be terminated by the State.

3. Proposed section 323F-G, page 6, lines 7-21 through page 7, lines 1-9, appears to allow the transitioned hospital to cause all of the state employees to become private employees without regard to the collective bargaining agreements currently in place; or negotiation of any kind with employee representatives. This could lead to significant litigation.

We respectfully request that the Committee consider our comments.



**HB1075 HD1
RELATING TO HEALTH**

House Committee on Labor & Public Employment

February 17, 2015

10:00 a.m.

Room 309

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** for HB1075 HD1, which authorizes the Maui Regional System of the Hawai'i Health Systems Corporation (HHSC) to lease one or more of its hospital facilities to a private nonprofit corporation, for a nominal rent of \$1.00 per year. OHA offers these comments based on the status of the land underlying HHSC's Kula Hospital in Maui.

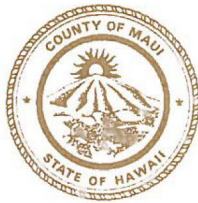
Kula Hospital sits on former crown or government land that was ceded by the Republic of Hawai'i to the United States in 1898, "without the consent of or compensation to the Native Hawaiian people of Hawaii or their sovereign government[.]" P.L. 103-150 (1993). OHA maintains that the state cannot diminish the ceded land corpus until the Native Hawaiian people's claim to ceded lands has been resolved. OHA appreciates that HB1075 HD1 explicitly determines that HHSC "shall retain ownership of all real property with the lease" and that the Maui regional system board "shall not dispose of any real assets other than by lease."

The Department of Land and Natural Resources' State Land Information Management System (SLIMS) shows the HHSC's Kula Hospital is located on public land trust land. Accordingly, the fiduciary obligations of the state with respect to the public land trust apply to the lands underlying Kula Hospital. OHA notes that the HHSC would be limited to leasing to a nonprofit corporation, for the purpose of ensuring access to health care services for the community. Given the status of these lands as public land trust lands the committee may want to consider the following:

1. Specifying that any private nonprofit corporation that will operate and manage a transitioned hospital facility be certified as tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986. This requirement would be consistent with statutory requirements governing less than fair market lease rents for lands under the jurisdiction of the Board of Land and Natural Resources ("BLNR"). See HRS section 171-43.1.
2. With regards to potential revenues that may be realized by a lessee from subleases or other uses of lands leased by HHSC, the Committees may wish to include a mechanism whereby any such revenue generated could be shared with the state.

Mahalo for the opportunity to testify on this important measure.

ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

DEPARTMENT OF MANAGEMENT
COUNTY OF MAUI

TESTIMONY OF KEITH REGAN, MANAGING DIRECTOR
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Tuesday, February 17, 2015
10:00 a.m.
Conference Room 309

HB 1075 RELATING TO HEALTH

Honorable Mark M. Nakashima, Chair
Honorable Jarrett Keohokalole, Vice Chair
Honorable Members of the House Committee on Labor & Public Employment

Thank you for this opportunity to testify in strong **SUPPORT of HB 1075** which would allow the Maui Regional Hospital System to partner with a private entity to transition one or more of facilities into a new private Hawaii nonprofit corporation.

Each and every one of us, no matter which island we reside on, want our families, children, grandparents, and friends to have access to the highest quality of health care services. However, I, along with a growing number of residents, believe that we are quickly nearing a real "health care crisis" and that something needs to be done right away.

We cannot ignore the fact that the Maui Memorial, a state-funded medical facility, is facing a serious financial deficit and will continue to be a significant burden on the state.

In 2014, MMMC's operating expenses increased \$19 million due, in large part, to new federally mandated requirements and increased collective bargaining costs. As operating expenses increased, the state's general fund appropriations to HHSC was reduced by approximately \$17 million, and the federal budget includes nearly \$400 billion in reductions and reforms to Medicare, Medicaid, and other federal health related programs over the next decade.

Chair Nakashima
HB 1075
Keith Regan, Managing Director
February 17, 2015
Page 2 of 2

It has also been reported that:

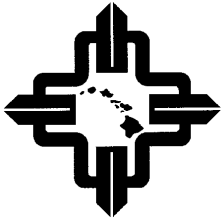
- MMMC ended fiscal year 2014 with an operating loss of \$43.4 million;
- An additional \$46.3 million loss is projected for FY 2015;
- MMMC projects that it will need between \$573 million and \$843 million in State funding over the next 10 years to continue operating at current levels; and,

These statistics are extremely concerning because with reduced state and federal subsidies, Maui Memorial will have to consider decreasing its operating costs, which would likely lead to reduced health care services. Any reduction in services would inevitably result in lay-offs. (Molokini II, the adolescent behavioral health unit, has already been closed.)

In Maui County, all of the nearly 160,000 residents and 2.3 million visitors per year depend upon Maui Memorial, **the only** full-service, acute care facility in the county, to meet their health care needs. Any reduction of health care services would be devastating to our communities, on tourism, and on our economy.

I believe that MMMC, Kula Hospital and Lanai Community Hospital have some of the best and most talented and caring doctors, nurses and staff around. However, with the on-going challenges, including reductions in state and federal subsidies, budget shortfalls, aging and shortage of physicians, and deteriorating facilities, it is simply unrealistic to continue down the same path.

For these reasons I strongly support HB 1075.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

House Committee on Labor & Public Employment

Representative Mark Nakashima, Chair

Representative Jarrett Keohokalole, Vice Chair

**Rep. Henry J. C. Aquino
Rep. Sharon E. Har
Rep. Linda Ichiyama
Rep. Aaron Ling Johanson
Rep. Matthew S. LoPresti**

**Rep. Joy A. San Buenaventura
Rep. Gregg Takayama
Rep. Roy M. Takumi
Rep. Kyle T. Yamashita
Rep. Andria P. L. Tupola**

February 17, 2015
Conference Room 309
10:00 a.m.
Hawaii State Capitol

Testimony Supporting House Bill 1075, Relating to Health

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

The HHSC Corporate Board **supports** the option of partnerships with private non-profit healthcare systems to address the challenges HHSC hospitals face in continuing to provide vital healthcare services throughout the state, while striving to reduce taxpayer subsidies. The involvement of a private non-profit entity has been identified and recommended by several previous studies, including the requested report to the Legislature delivered in 2010 by Stroudwater Associates.

Healthcare today is a very specialized, complex and rapidly changing business. Federal, state and private health insurance providers strive to reduce spending on healthcare; in particular, expensive hospital costs. This is an environment where maintaining revenue is difficult, and increasing revenue is particularly challenging. Operators of healthcare facilities face constant pressure to provide higher quality care and customer satisfaction at lower cost (the triple aim). Investments in specific areas such as health information technology, physician networks, quality improvement, supply chain management, and expertise in revenue cycle maximization are essential. Hawaii non-profit healthcare providers have already invested substantially in this new paradigm. HHSC facilities can benefit from partners who can accelerate access to these investments and also greater economies of scale.

HHSC is proud to represent state funded facilities that provide essential healthcare services across the state. But it is recognized that to continue to provide healthcare under a government model as we do today may be unnecessary. Neighbor island communities and our facilities are attracting the interest of private non-profit healthcare systems looking for larger markets and economies of scale. Allowing experts in the healthcare industry to assume more of the responsibility for healthcare in our state can allow precious government dollars to be spent for other needed services. Support of this measure can optimize access to high quality healthcare services and thus contribute to the general economic growth of our state.

Thank you for the opportunity to testify.

Testimony of WESLEY LO

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokalole, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

**TESTIMONY IN SUPPORT
HOUSE BILL 1075 HD1**

Chair Nakashima, Vice Chair Keohokalole, and members of the House Committee on Labor and Public Employment:

My name is Wesley Lo, Chief Executive Officer of Hawai'i Health Systems Corporation – Maui Region. Thank you for the opportunity to provide testimony on House Bill 1075 HD1

The Maui Region hospitals, which include Maui Memorial Medical Center, Lāna'i and Kula Hospitals, are in need of help. We are at a critical point in our journey as an organization, as a group of committed medical personnel and professionals and as a community.

Maui Memorial Medical Center is the only acute care hospital in all of Maui County, we have no private hospitals, as such, we are left to care for all of Maui Nui – it is our pleasure and our passion, yet we have an ever-growing challenge in meeting the increasing needs of our fiscal responsibilities and our want to provide more services to our County and those who visit our islands.

We are proud of our efforts over the last several years to improve the services for the County of Maui as well as improve our financial position. During the period from 2008 to 2013, we were able to increase our Operating Revenues by \$72.6 million, while our Operating Expenses only increased by \$55.1 million for the same period.

At the same time, we improved our financial situation, we also increased and improved services to our community, our heart program, stroke program, and trauma programs are proof of our efforts to improve the healthcare in the county of Maui.

As we predicted for years, in 2014, the landscape changed.

Our revenues started feeling the effects of reduced reimbursements related to the Affordable Care Act, as well as the fact that we have started reaching capacity in many areas of the hospital and the ability to grow Revenues without significant investment have been virtually shut down. In 2014, we started feeling the effects of new requirements related to federally mandated requirements (Electronic Medical Records) as well as increased collective bargaining costs. That year, our revenues increased \$800,000, while our operating expenses increased \$19 million (of which \$9.9 million was related to EMR/ICD-10 implementation costs; and \$10.8 million was related to increases in Salaries, Wages and Benefits.

For FY 2015, revenues for the first half of the year did not show an increase over last year and remain flat and we are seeing further increases in expenses related to inflation and negotiated salaries, wages and benefits. This is exacerbated by the fact that the general fund appropriations to HHSC were reduced by approximately \$17 million.

As we look into the future, we have just learned the President Obama's federal budget includes approximately \$400 billion in reductions and reforms to Medicare, Medicaid and other HHSC programs over the next decade, which will invariably affect the state's rural hospital system

We cannot continue this trend.

As a region, if we were to look at decreasing the operating expenses, we would have to look at decreasing services to Maui County. Maui Memorial has already closed its Youth Behavioral Health division – a loss that has affected Maui and Hawai'i Counties. We do not want to cut any more services, but the financial chasm continues to widen.

The burden is heavy as Maui County's largest employer, so our attempts to create a public-private partnership is to allow Maui Region's hospitals to maintain and expand services and give Maui County the much-needed medical services they need and want as a community.

HB 1075 HD1 provides the opportunity for Maui Region to explore opportunities to dramatically reduce subsidies to maintain the status quo, increase services and provide competitive fair market value private sector compensation and work rules that are appropriate for a 24/7 hospital operations.

We recognize and value our staff – every single one of them is the soul and heart beat of this region. They are the faces that calm scared family members, the hearts that touch our patients in some of their most challenging times, they are the arms that welcome new life to Maui, they are my neighbors and friends. This

hospital means so much to so many on Maui, and it is difficult to fathom the worse for this region. Our need to find a public-private partner is not to obfuscate the challenges of a fiscally deficient system but it truly is our last opportunity to find a solution, short of closing departments, restricting services and releasing employees.

Maui has no private hospitals that provide these services; we are the option – the only option.

I ask for your consideration on this proposed measure.

Mahalo.

Wesley Lo
Regional Chief Executive Officer
Maui Memorial Medical Center



TO: COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair

Rep. Jarrett Keohokalole, Vice Chair

FROM: Richelle Kawasaki, Chief of Organizational Development
Maui Region, Hawaii Health Systems Corporation

DATE: Tuesday, February 17, 2015

TIME: 10:00 AM

PLACE: Conference Room 309
State Capitol
415 South Beretania Street

Thank you for the opportunity to provide comments in support of the HB 1075, HD1 RELATING TO HEALTH. The purpose of this bill is to authorize the Maui Regional System to enter into an agreement with a private entity to transition one or more of its facilities into a new private Hawaii nonprofit corporation.

Here in the Maui Region, we have one acute care hospital (Maui Memorial Medical Center) and two critical access hospitals (Kula Hospital and Lanai Community Hospital). The care we provide to residents and visitors is crucial to the well-being of our Community. We thank you for your past support of healthcare in the Maui Region. Your support has allowed us to be able to provide comprehensive cardiovascular services at Maui Memorial Medical Center as well as to be able to provide 24/7 stroke care to our patients. We are very proud of these accomplishments and would like the opportunity to continue to improve healthcare in our Community.

We humbly ask for the Legislature's help and assistance in finding a solution to our current fiscal challenges. We have looked at many options and continue to challenge ourselves daily to develop solutions that will keep us thriving as an organization. We have requested additional funding from the Legislature and are being told that this may not be a realistic request. As such, we do feel that a public private partnership is currently the best solution to allow us to continue to grow as a healthcare provider.

Please support us an organization that is recognized in our Community as one of the largest employers in the County of Maui. We want to continue to provide jobs for our dedicated workforce who has made it their mission to care for those in medical need. We also want to continue to provide individuals with the opportunity to seek out meaningful careers in health care here in our Region.

We hope that this Legislative Session will bring about positive change and your continued commitment to supporting healthcare here in the Maui Region. We urge you to move this bill forward. Thank you for the opportunity to provide these comments.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 2:45 PM
To: LABtestimony
Cc: psgegen@hotmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
pat gegen	Kauai Regional Board - Hawaii Health Services Corporation	Support	No

Comments: The Kauai Regional Board of HHSC supports the Maui Regional Board in their desire to provide the best health services possible in the most efficient and responsible manner that they can identify. While a public private partnership will create many questions it also can provide many opportunities. We, the Kauai Regional Board, understand the concerns of current employees and their governing unions, and we believe that in good faith negotiations acceptable agreements can be achieved for the good of the employees, the health care of the community, and the financial obligation of the state. We wish our sister facility and their Board the best as they move forward in this endeavor.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



Tuesday, February 17, 2015 – 10:00 a.m.
Conference Room 309

House Committee on Labor and Public Employment

To: Representative Mark Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair

From: George Greene
President & CEO
Healthcare Association of Hawaii

Re: Testimony in Support
HB1075 – Relating to Hawaii Health Systems Corporation (HHSC)

The Healthcare Association of Hawaii's 160 member organizations include all of the acute care hospitals in Hawaii, all public and private skilled nursing facilities, all the Medicare-certified home health agencies, all hospices, all assisted living facilities, durable medical equipment suppliers and home infusion/pharmacies. Members also represent other healthcare providers from throughout the continuum including case management, air and ground ambulance, blood bank, dialysis, and more. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

Thank you for the opportunity to testify in support of HB1075, which would allow HHSC's Maui regional system to enter into an agreement with a private entity to transition one of more of its facilities into a new private Hawaii nonprofit corporation.

At a time when HHSC is facing severe financial challenges with no simple solutions in sight, it is imperative that all options be explored. The framework of the innovative public-private partnership as outlined in this bill holds the potential to expand the reach of Maui hospitals to maintain vital parts of the healthcare continuum. The residents of Maui deserve a top-tier, sustainable healthcare system. This bill holds the promise of growing service lines for their benefit, while reducing the ever-growing tax subsidy being borne by taxpayers.

Thank you for the opportunity to testify in support of HB1075.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Eighth Legislature, State of Hawaii
House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii Government Employees Association
February 17, 2015

H.B. 1075, H.D. 1 – RELATING TO HEALTH

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of H.B. 1075, H.D. 1, which authorizes the Maui regional health care system to enter into an agreement to transition to a private nonprofit corporation.

As written, H.B. 1075, H.D. 1 creates an excessively favorable and one-sided deal for private acquisition by establishing a nominal \$1 fixed long-term lease agreement for 25 years for the private operator, maintaining employees for no less than 6 months only if they satisfy the private operator's job requirements, obligating the State to assume all current liabilities, and binding future Legislatures and all tax payers to millions of dollars of operating subsidies and 50% of the costs for any capital improvement projects for 10 years. In this scenario, it is made abundantly clear: in the hasty blitz to sell, the taxpayers and the employees will suffer at the expense of the private operator's profit.

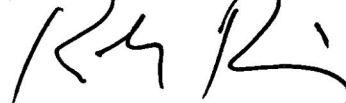
Policy as complex and multifarious as this deserves intensive and thoughtful scrutiny from the Legislature. We respectfully argue that the first step in this process, prior to any other considerations, should be a thorough and independent financial and management audit. We raise serious reservations and grave concerns over proposed legislation to rapidly privatize the safety net hospital system: it is a risky and dangerous proposition, which may cause irreversible harm to our community. It is unrealistic to believe that Maui County's population of 154,000 residents can sustain similar utilization as Oahu's population of 953,000, without an exorbitant and perpetual state subsidy, a severe reduction of services, or a combination of both. Any type of private acquisition will rely heavily on taxpayers' dollars to support the system, while the Legislature relinquishes its oversight on how those tax dollars are spent and cannot guarantee that the private operator will remain.

Advancing legislation that enables privatization, without fully assessing the system's financial and management situation is premature. We respectfully implore the Legislature to judiciously complete its due diligence, ensure satisfactory answers to all of its questions, and exhaust every avenue prior to fracturing and selling a portion of the State's assets. We cannot afford any lesser degree of scrutiny or the potential of a failed experiment when it comes to delivering critical safety net services.

H.B. 1075, H.D. 1
Committee on Labor and Public Employment
February 17, 2015
Page 2

We respectfully request that the Committees defer H.B. 1075, H.D. 1 and consider the resolutions provided in H.B. 1112, H.D. 1, which recentralizes the Hawaii Health Systems Corporation and calls for the Auditor to complete a full financial and management audit of the System, prior to privatizing our hospitals.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Randy Perreira', written over the printed name.

Randy Perreira
Executive Director

House Committee on Labor and Public Employment
Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair
Tuesday, February 17, 2015
10:00am, Conference Room 309

IN SUPPORT OF HB1075, HD1

Dear Chair Nakashima and Members of the Committee:

My name is **Clay Sutherland, Chairman of the Maui Regional Board of Directors**, and I am writing **in support of HB1075, HD1** to authorize the Maui regional health care system to enter into an agreement with a private entity, Hawaii nonprofit corporation.

Maui Memorial Medical Center, Kula Hospital and Lanai Community Hospital have been an integral part of our community for generations. I think I can speak for almost any Maui resident when I say that *everyone* knows someone who has depended on one of these great facilities for care.

The islands of Maui County have over 160,000 combined residents, and over 2.3 million visitors each year. This may seem insignificant compared to Oahu in numbers, but also consider that we only have **one** full-service, acute care hospital to rely on for everything from a broken bone, to childbirth, to triple bypass surgery. Our growing community, like Oahu's, has medical needs that require access to quality healthcare, close to our homes and our families *where healing happens best*. We deserve it. Can you imagine if all C-sections had to be performed on Oahu, or a child with a broken arm had to be medevac'd for treatment? Can you imagine what that would do to our young families – physically, emotionally and financially? Can you imagine the volume of patients that would now be transferred to Oahu and what that would do to further exacerbate ER wait times, bed availability and the physician shortage problems our state is already facing if we can't have a functioning healthcare system on the third largest island in the state?

Maui Memorial Medical Center is also one of the largest employers in Maui County. If we lose more services, we'll inevitably be putting these jobs on the line. Everyone is affected by the loss of healthcare services on Maui: everyone's employees, and everyone's children and kupuna, residents and visitors alike. .

Mahalo for your consideration.

R. Clay Sutherland
Maui Regional Board Chair

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 14, 2015 11:15 AM
To: LABtestimony
Cc: apt@tonytlaw.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/14/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony Takitani	Maui Regional System Board	Support	No

Comments: Please support this very important Bill, HB1075, HD1 Thank you for your consideration.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Tuesday, February 17, 2015– 10:00 a.m.
Conference Room 309

The House Committee on Labor and Public Employment

To: Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair

From: David Okabe
EVP, CFO and Treasurer

Re: HB 1075 HD1 – Relating to the Hawai'i Health Systems Corporation
Testimony in Support

My name is David Okabe, Executive Vice President, Chief Financial Officer and Treasurer at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawai'i Pacific Health is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawai'i Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

Why we are interested:

Ensuring access to high quality health care for all Hawai'i residents is the core mission of Hawai'i Pacific Health. Based on the HHSC Maui Regional Healthcare System's estimates, operating losses are expected to increase significantly over the next 10 years. These deficits will almost certainly require increased support from Hawai'i's tax payers, or potential cuts to health care services and jobs on the island of Maui.

Hawai'i Pacific Health believes that being proactive today will help to create a sustainable health care system ensuring Maui County residents can access high quality, local health care in the future. Unless the state addresses the financial challenges facing the Maui Region, the repercussions will be detrimental to the entire state.

Hawai'i Pacific Health is willing to be part of a solution and accept the financial risk of delivering healthcare on Maui through an operating lease agreement. We believe that a public-private partnership – which is not an acquisition but partnering with the state of Hawai'i and the Maui community - is the best approach to creating a sustainable health care delivery system on Maui, a system that will grow to meet the needs of the community.

Recognizing this potential, we are committed to working with Maui and have invested the necessary time and resources on due diligence to further explore this possibility. Although we are willing to be part of a solution, we also believe it is imperative that all key stakeholders for Maui come together to produce a successful, collaborative solution.

Why Hawai'i Pacific Health?

Hawai'i Pacific Health has the experience, resources and infrastructure to successfully support this collaborative effort. As a statewide system with multiple facilities, Hawai'i Pacific Health has demonstrated that it can provide effective, locally dedicated health care on Maui. HPH already provides various adult and pediatric specialty services on Maui and Lana'i. We send our physicians to Maui to provide specialty services. We operate the Straub Clinic on Lana'i, where we provide physician coverage for Lana'i Community Hospital. On Kaua'i, HPH operates Wilcox Memorial Hospital, a sustainable, high quality, health care system with an integrated hospital and neighborhood clinics. As an employer, HPH also has worked successfully with a number of labor unions which represent many HPH employees.

Under a private, not-for-profit hospital structure, HPH can manage hospital operations using best practices which the Maui region is not able to do under the current public hospital labor agreements and structure. For example, we have the ability to provide appropriate staffing using national health care industry benchmarks for the number and types of patients in a particular unit or service area. This is one example of how we are able to provide the best possible care efficiently and effectively for the patients we serve. Under HPH's proposal to Maui, state operating subsidies shall not exceed the 2014 fiscal year subsidy and may be lowered based on performance with the goal of eventually being eliminated. This represents a significant savings to the state of Hawai'i compared to the expected Maui Region operating losses projected over the next 10 years.

What we hope to accomplish:

The Maui Region is growing rapidly and is in need of the full spectrum of health care services. Knowing that patients heal better when surrounded by their family and friends, we believe care should be delivered locally whenever possible. Therefore, HPH is committed to maintaining and improving access to high quality health care services on the island. As part of our due diligence, HPH will be looking at services provided on Maui versus services that are provided for Maui residents on other islands. Once the hospital becomes sustainable, we expect access to services will need to expand, not contract.

Why HB 1075 HD1 is needed:

HPH will need to make sound management decisions to be successful on Maui. The passage of HB 1075 HD1 will enable us to work with the Maui Region to make the kinds of changes that will allow the Maui Region facilities to become sustainable. The ability to manage hospital operations using hospital best practices is critical to the success of the proposed public-private partnership. With support from the state of Hawai'i under a public-private partnership, over time we expect the Maui Region to improve operating performance and become self-sustaining. The requirements of a successful public-private partnership are outlined in HB 1075 HD1.

Enabling legislation is an essential next step for us to complete our due diligence. We therefore ask that this committee pass HB 1075 HD1 so that these discussions with the Maui Region can continue. Thank you for this opportunity to testify.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Labor & Public Employment
Tuesday, February 17, 2015 at 10:00 A.M.
Conference Room 309, State Capitol**

RE: HOUSE BILL 1075 HD1 RELATING TO HEALTH

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** HB 1075 HD1, which authorizes the Maui Regional System to enter into an agreement with a private entity to transition one or more of its facilities into a new private Hawaii nonprofit corporation.

The Chamber is the largest business organization in Hawaii, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports HB 1075 HD1 as it would continue the discussion of public-private partnerships in Hawaii. We are hopeful that the possibility of an agreement between Maui Regional System and a private entity would increase efficiency in government services and benefits of healthcare to residents of the state.

Thank you for the opportunity to testify.



HALE MAKUA HEALTH SERVICES

COMPASSION COMMITMENT COMMUNITY

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair

Rep. Jarrett Keohokalole, Vice Chair

Testimony in Support of HB 1075, HD1

2/13/15

Aloha Chair Nakashima, Vice Chair Keohokalole and Members of the House Committee on Labor & Public Employment:

My name is Tony Krieg, C.E.O. of Hale Makua Health Services on Maui. For over 50 years, Hale Makua's two nursing homes with 344 licensed beds admits, on average, 40 patients per month from Maui Memorial Medical Center.

We are a partner with Maui Memorial Medical Center and work together to streamline the admission process between our facilities and services and to make sure that both organizations improve the quality of care for the patients that we both serve.

It is our understanding that a major health care system in Hawaii, Hawaii Pacific Health, is in discussions with Maui Memorial to provide capital and expertise to improve the health care delivery system at the hospital and in our community.

As you know, there is a severe shortage of primary care physicians in Maui and the rest of the state. To be admitted to Hale Makua's services, each potential patient needs a primary care physician to care for them. Nearly all of the local physicians on Maui are now too busy to admit and attend patients in our nursing homes. In order to keep patient flow between our homes and Maui Memorial, we are bringing temporary contracted physicians from the Mainland who rotate on a 4-6 month basis. This is not efficient and, as you can imagine is very costly and probably not sustainable.

We understand that Hawaii Pacific Health has expertise in working with physician groups to provide primary and specialty care in Hawaii. We believe that this partnership will benefit Hale Makua, Kula and Maui Memorial by integrating proven patient and care transition models between our facilities to improve patient outcomes and third party reimbursements.

This bill provides a vehicle for a transition which makes economic sense and will improve the healthcare delivery system on Maui. I urge you to pass this bill out of your committee so that it can continue to be discussed in this legislative session.



REALTORS[®]
*Association of
Maui, Inc.*

441 Ala Makani Place
Kahului, Maui, HI 96732-3507
Phone: 808-243-8585 ~ Fax: 808-243-8585
Dave DeLeon, Government Affairs Director
Cell: 808-281-3269
E-mail: GAD@RAMaui.com
www.RAMaui.com

February 13, 2015

TESTIMONY TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
REGARDING: HOUSE BILL 1075 HD1

Thank you for this opportunity to submit testimony to your committees. I am Marion Haller, president of the 1400-member Realtors Association of Maui, testifying in SUPPORT of HB 1075 HD1.

On October 28, the RAM Board of Directors approved the following statement:

The Realtors Association of Maui is concerned for the very existence of Maui's only hospital. We support the efforts of the Hawaii Health Systems Corporation to allow a public-private partnership to create a viable, self-sustaining fiscal structure for the Maui Memorial Medical Center. RAM asks the Maui state legislative delegation to take all necessary steps to approve the legislation necessary to allow that to happen.

Our association does not usually involve itself in the health-related issues, but when circumstances call into question the future viability of our single hospital, we find it necessary to let our collective voices be heard. The fourteen hundred members of our association are first and foremost residents of this community and are dependent on having a first class, on-island facility that can meet our medical needs here, so that we do not have to travel to Oahu or the mainland for ordinary treatment.

Maui is a vibrant, growing community that generally meets its own needs. But this is a challenging time for hospitals across the country. It has become clear that MMMC needs either a sustainable source of state funding or the freedom to seek partners who will bring additional resources and staff without any additional cost to the state. The good news is that MMMC has attracted a number of well qualified suitors, both from the mainland and locally, seeking that partnership. How such a partnership is structured or with whom is yet to be seen, but with a pending debt for this year alone at \$50 million, we believe the time for debating is over. Our association, and we are sure, our whole community wants to see our only hospital on firmer fiscal ground and in position to thrive.

We are not in the hospital business, so we won't delve into all of the options that a public-private partnership will bring. We do appreciate the complexity of this issue: protecting the interests of our community, the state and 1,400 MMMC employees. But we also believe the existing model is broken and the time to allow a public-private partnership to emerge has come. Mahalo for your attention to this extremely important Maui issue.

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālōle, Vice Chair

DATE: Sunday, February 15, 2015

RE: TESTIMONY IN SUPPORT of House Bill 1075 HD1

Aloha Chair Nakashima and Vice Chair Keohokālōle:

Mahalo for the opportunity to provide testimony in support of HB 1075.

My name is Judith Mikami, representing Na Pu`uwai Native Hawaiian Health Care System that serves the islands of Molokai and Lanai. On Lanai, Na Pu`uwai's satellite office, Ke Ola Hou O Lanai, has been a health care provider, primarily in the area of preventive health, education, case management, and more recently, licensed as a Home Health Provider. On Molokai, as on Lanai, Na Pu`uwai has been in existence since 1991 established as a result of the Native Hawaiian Health Improvement Act, passed in 1989.

House Bill 1075 HD1 authorizes the Maui Regional System (Maui Memorial Medical Center (MMMC) to enter into an agreement with a private entity (Hawaii Pacific Health) to transition one or more of its facilities into a new private Hawaii nonprofit corporation. This agreement would benefit all of Maui County. Na Pu`uwai has partnered with MMMC in several health screening and educational activities. MMMC's Stroke and Heart Health departments have come over to Molokai as well as to Lanai to assist staff in various cardiac-related events.

On Lanai, KOHOL has received tremendous support from Straub Lanai, which is part of HPH, ranging from providing space for community-based health screenings to consultation from and referral of patients from its health care providers for follow-up care. Additionally, our staff and providers have been supported by HPH employees, providers, staff and administration in a tremendously professional manner. The community has benefitted from the support and partnership.

If this bill does not pass, the thought of having services reduced in the only major hospital in Maui County is frightening. There must be available the option of finding a private partner in order for Maui and Maui County to have the best medical services continued for all residents.

Maui Memorial Medical Center is one of the largest employers in Maui County. Reduction in employment numbers would affect all of Maui County by increasing unemployment numbers, straining the County's economy and adversely affecting medical services across all three islands. There are former residents of Molokai and Lanai who are now employed by MMMC; any reduction in staff would also adversely affect these people and add to the potential negative affect on the economy and families.

On behalf of Na Pu`uwai, I urge the continued due diligence initiated that began determining the feasibility of this potential agreement and commend your committee's commitment in defining the best outcome for our communities in Maui County.

Thank you for the opportunity to testify in favor of authorizing the agreement between Maui Memorial Medical Center and Hawaii Pacific Health.

Sincerely,

Judith Mikami, RN, MPH
Na Pu`uwai (808) 560-3653
jmikami44@gmail.com

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 5:36 PM
To: LABtestimony
Cc: bobbiepatnode@fastmail.fm
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Bobbie Patnode	Kula Community Association	Support	No

Comments: The Kula Community Association is concerned with maintaining and improving the care provided by Kula Hospital and Clinic. Health care is changing in how it is delivered, and we support delivery that is flexible, adaptable and efficient. Therefore, the Kula Community Association supports enacting legislation that will enable the Hawaii Health System Corporation to address the neighbor island health care funding deficit through various ownership options, such as public-private partnerships.

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Vote NO on HB1075

I am a medical doctor, psychiatrist and medical staff member of Maui Memorial Medical Center for 20 years. Private nonprofits are under financial pressure which often results in worse access and worse clinical care. Public state services are not efficient but provide more continuity, better care and less staff turnover. HB1075 makes unrealistic promises about access, primary care, longterm care and capital improvements.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 8:21 AM
To: LABtestimony
Cc: susieuwekoolani@gmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
barbara uwekoolani	Individual	Oppose	No

Comments: I strongly oppose this bill. As a staff RN I have witnessed the waste that the current management has done and then blame losses on salary costs. This bill is an attempt to privatize MMMC. It will cost our community a lot in terms of lost wages and jobs. The bill does little to protect the current workforce especially those close to retirement. We also need a better timeline of when these events are to happen so that the 1400 employees affected by the reduction in force have time to find another job, bump others from a position or move.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 8:28 AM
To: LABtestimony
Cc: victoria.dennis@frontier.edu
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Victoria Dennis, FNP-BC, MSN	Individual	Oppose	No

Comments: As a Family Nurse Practitioner (private practice, Kaunakakai, Molokai) and Registered Nurse (Intensive Care, Maui Memorial) I am very concerned about the passage of HB1075. I am concerned about the effects this potential merge will have on all the other outer island facilities that comprise HHSC. This merge has the potential to decimate health care on the outer islands. Having worked on every island in the chain aside from the big island and Oahu I can attest to how difficult it is to provide care without appropriate supplies, services and specialists. I am concerned that taking MMMC out of the HHSC equation will leave the remaining facilities twisting in the wind financially. I do believe there is much that can be improved at MMMC and statewide to improve the delivery of healthcare. I am not convinced that a merge with Hawaii Pacific Health is the answer. I would like to see this opportunity opened nationwide. Additionally I am concerned about the workplace safety for both patients and healthcare workers without adequate union representation. I invite you all to read the account of murdered nurse Alda Ellington by health care patient Alberto Serrano as the worst case example of un-safe staffing. Nurses are at the front line of whatever goes wrong and the first in the line of fire. Shortly after HPH acquiring Wilcox Hospital, nurses went on strike over unsafe staffing. Not over wages or benefits: unsafe staffing. HHSC nurses have donated 5% of their pay for two plus years under the Lingle administration. We had to fight to regain our meager step movement raises for longevity and every contract is a long drawn out legal battle. None of which is the negotiated raises retroactive back to the beginning of the contract. We are underpaid in comparison to the private sector but have traded in for the long term benefit of the defined benefits pension so a formal analysis has proven that compensation is equal. So the notion that the economic turmoil is the fault of the state worker is unfounded. Now many of us are simply too old to save sufficiently for retirement in an IRA or a 401K even with an employer match. Especially if we are forced to invest in and gamble on the stock market. What this merger is asking us the employees is to donate our retirements to help fund this merge. It has the potential to create a new generation of retired poor healthcare workers. Healthcare workers already work seven days a week, in a 24 hour business open on all holidays doing humbling work many of you would be unwilling to do. And now you want to deliver us with no union representation, to an employer that only promises to maintain our employment for six months? Will this be another mass exodus of healthcare workers? If merge we must then I ask of you to include language that ensure union representation to maintain fair treatment of employees and safe care for patients; open this to all potential partners not just HPH and provide for a self-directed IRA component option so that we may more safely invest for our futures in

something other than the stock market or the state of Hawaii. Amen! Victoria Dennis, MSN, FNP-BC, AG-ACNP-BC

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THE TWENTY-EIGHTH LEGISLATURE
THE HOUSE
REGULAR SESSION OF 2015
COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

DATE: Tuesday, February 17, 2015

TIME: 10:00 AM

PLACE: State Capitol, Conference Room 309
415 South Beretania Street

Testimony Opposing H.B. 1075, relating to Hawaii Health Systems Corporation

Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Mary D. Wagner, I live in Wailuku, Maui, and I work as an Information Systems Analyst VI – Business Continuity Plan Manager for the County of Maui, Dept. of Management, Information Technology Services Division.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If a public- private partnership is to be considered, it should be a plan that provides protections for the thousands of hospital employees, current and future, so that they continue to have job security, the same pay schedules, and retirement benefits. As Maui residents, we also want assurances that a safety net exists for those residents who may require such services.

I ask for your support to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Sincerely,

Mary D. Wagner

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 3:24 PM
To: LABtestimony
Cc: tampaltin@gmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Tamara Paltin	Individual	Oppose	No

Comments: I oppose this bill because it may negatively affect the livelihoods and futures of families and our fellow citizens of Maui County. Please oppose House Bill 1075

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 7:17 PM
To: LABtestimony
Cc: chowcee@gmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Chelsey	Individual	Oppose	No

Comments: Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Chelsey, I live in Maui, and I work as a medical transcriptionist. I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits. Hawaii can do better.

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THE TWENTY-EIGHTH LEGISLATURE

THE HOUSE

REGULAR SESSION OF 2015

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

DATE: Tuesday, February 17, 2015

TIME: 10:00 AM

PLACE: State Capitol, Conference Room 309 415 South Beretania Street

Testimony Opposing H.B. 1075, relating to Hawaii Health Systems Corporation

Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Gille K. Petersen, I live in Pukalani, HI and I work as a Judicial Clerk III at the Hawaii State Judiciary.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits.

Although the predominant myths about privatization claim that privatization means tax savings for the public, it actually costs us more. Even though on paper a private agency or corporation may present a lower figure to do the same job, once that money has been taken out of the public's hands, it no longer remains ours.

In the public sector, tax money tends to make more of itself, meaning that each public dollar paid through one social service will spend itself four to eight times more elsewhere within the public sector. Once public money goes into private hands however, that money stays there and is gone for good. This is especially true if we consider that privatization corporations are usually given handsome tax breaks and "incentives," in the form of what some people call "corporate welfare," which means we are even less likely to see that money again.

And finally, if we remember that the people who privatize are generally wealthy, this reminds us of an old story where the rich get richer and the poor get poorer -- where the hard earned tax money from each of us is funneled into the hands of the wealthy few for their own personal gain. While we each like to think we don't live in a society like that, today this is justified to us through the myth that "free markets" are the same thing as

democracy; that if everything is privatized and ruled by the law of the dollar then democracy will be ensured.

The of our hospital system is but one case in which a few people will exploit our society's larger problems for their own gain, at a cost we all bare and get little in return.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 13, 2015 2:59 PM
To: LABtestimony
Cc: sherieiko@hawaiiantel.net
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/13/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
sheri yamaguchi	Individual	Support	No

Comments: Dear Chair Nakashima and Members of the Committee on Labor and Public Employment: I am writing in support of HB 1075, HD1 to authorize the Maui regional health care system to enter into an agreement with a private Hawaii nonprofit corporation. I was born and raised on Maui and have seen Maui Memorial Medical Center blossom into the only hospital in the state with a 24/7 stroke prevention program and only neighbor island hospital that provides comprehensive cardiovascular services. Patients are not only residents and visitors of Maui county, but also extend to Hilo, Kona and Kauai as well. Please consider passing this Bill or providing the funding needed to Maui Memorial Medical Center. Thank you very much for your consideration.

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February 13, 2015

Testimony in support of House Bill 1075

My name is Barry Shitamoto and I am writing in support of HB1075 to authorize the Maui region health care system to enter into an agreement with a private entity, Hawaii nonprofit corporation.

I am a Maui native, a physician for over 37 years, and currently serve on the Maui Memorial Medical Center Regional Board. Although most of medical practice has been spent on Maui, I have been privileged to work and serve in all of HHSC's major hospitals on all islands as well as all of HPH's four major hospital facilities on Oahu and Kauai.

Hospitals, much more than any other medical provider, determines the level of access and quality of care in our communities. Maui Memorial Medical Center provides the highly critical emergency services, surgical services, cardiovascular services, neurosurgical stroke services, trauma services, obstetric services, and high technology diagnostic services that keeps our community healthy. Our Medical Center is also the sole hospital provider of these services on Maui but also serves to assist other neighboring communities including Oahu.

Access and quality have become critically affected and important in all of our neighbor island communities. The current environment of Maui's growth, community demand, declining provider payments, physician shortages (and aging), and an unsustainable, rigid State Hospital System will create a "perfect storm" healthcare situation that negatively impacts Maui's access and quality.

While the problem is complex, the current HB1075 provides a sturdy and in my opinion, a very durable pathway to enhance healthcare for all Maui citizens. Maui Memorial Medical Center is the primary driver of Maui's healthcare and a large part of our local economy. Please allow both Maui citizens the opportunity to create a healthcare system with a strong partner to enrich access and quality. This will be a win not only for Maui but also for the State's overall health!!

Thank you for your consideration

Barry Shitamoto, MD
43 Kamalei Circle
Kahului, HI 96732
808-242-2590

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 14, 2015 6:39 AM
To: LABtestimony
Cc: pmnurse16@hotmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/14/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Pamella McCarthy	Individual	Comments Only	No

Comments: I support House Bill 1075.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**House Committee on Labor and Public Employment
Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair
Tuesday, February 17, 2015
10:00am, Conference Room 309**

IN SUPPORT OF HB1075, HD1

Dear Chair Nakashima and Members of the Committee:

My name is **Pedro Giron, M.D., and I am a member of the Maui Regional Board.** Please join me in supporting the Maui Memorial Medical Center's efforts to seek a private-public partnership through **HB 1075 HD1**. As a neighbor island resident, having access to quality health care services on island is very important to me, my friends and our families. Maui Memorial Medical Center is the only acute care, full-service hospital in Maui County. We depend on it.

We are very concerned about the future of health care services on our island. With many challenges facing the hospital, including reductions in state and federal government subsidies, budget shortfalls, aging physicians and deteriorating facilities -- we can no longer rely on the Legislature to help sustain us.

I appreciate your time and consideration. Please allow Maui Memorial Medical Center to pursue a public-private partnership and enable them to become self sustainable while continuing to provide our community with access to quality health care services.

Mahalo,

Pedro Giron, M.D.
Maui Regional Board Member

**TO: The House Committee on Labor and Public Employment
Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair
Tuesday, February 17, 2015
10:00am, Conference Room 309**

**FROM: Gina Flammer
Maui Regional Board Member**

IN SUPPORT OF HB1075, HD1

Dear Chair Nakashima and Members of the Committee:

My name is **Gina Flammer., and I am a member of the Maui Regional Board.** Please join me in supporting the Maui Memorial Medical Center's efforts to seek a private-public partnership through **HB 1075 HD1**. As a neighbor island resident, having access to quality health care services on island is very important to me, my friends and our families. Maui Memorial Medical Center is the only acute care, full-service hospital in Maui County. We depend on it.

We are very concerned about the future of health care services on our island. With many challenges facing the hospital, including reductions in state and federal government subsidies, budget shortfalls, aging physicians and deteriorating facilities -- we can no longer rely on the Legislature to help sustain us.

I appreciate your time and consideration. Please allow Maui Memorial Medical Center to pursue a public-private partnership and enable them to become self sustainable while continuing to provide our community with access to quality health care services.

Mahalo,

Gina Flammer
Maui Regional Board Member

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair

Date: Tuesday, February 17, 2015
Time: 10:00AM
Place: Conference Room 309
State Capitol
415 State Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Koehokalole,

My name is Karey Kapoi and I am a Hospital Management Officer at Maui Memorial Medical Center.

I have had the privilege of working at Maui Memorial for nearly five (5) years, and my mother before me for almost thirty (30) years. In that time, I've watched staff work countless hours under sometimes strained circumstances to meet the growing demands of our residents and visitors. They struggle through crisis census with limited staff, aged facilities, and over processed systems to deliver safe and quality care to a diverse string of needs.

Our hospital has grown and responded to the changing industry it's a part of, and although it has had to endure a number of challenges, it has never wavered in the level of care offered. We have, however reached a point where our options for growth have diminished. If the State cannot fund us according to what is required to maintain status quo operations, they should allow our hospital to explore a partnership that can provide and maintain the level of care we need.

Without this partnership or increased funding, our Region will have to do further cuts to services and staff. The idea of that seems absurd for a number of reasons, but primarily because there is a solution on the table that wants to continue to provide services and examine opportunities for growth. Why does this known problem continue to be reviewed and studied when the solution proposed is always the same?

As a mother, an employee and a resident of this State, I am hopeful that you will support HB1075 to allow the Maui Region to continue to serve and grow as it has the potential to do, and as our community deserves. Political and social agendas should not supersede the needs of our community, nor should it be allowed to impede the progress of hard work and effort by committed organizations.

Mahalo.

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair

Date: Tuesday, February 17, 2015
Time: 10:00AM
Place: Conference Room 309
State Capitol
415 State Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Koehokalole,

Thank you for the opportunity to provide testimony in support of HB 1075 HD1.

My name is Karen Oura, and I am the retired Chief Clinical Executive of the Maui Region. In the nearly thirty years working as a nurse and administrator at Maui Memorial Medical Center, I was able to witness many of the historical studies and examples referenced today to demonstrate the need for partnership. Our hospital is equipped with amazing human potential. The staff that comprise our region provide excellent patient care in aged facilities oftentimes with limited tools to do their job. They deserve better, and so do our patients and our community.

The financial burden this industry faces is not exclusive to Maui, healthcare is complex, and in order to fulfill its mission of providing sustainable and high quality care, an organization must have the ability to grow and adjust as their patients and environment demand. The public healthcare system is not built to do that. The industry is changing quickly and the community, staff and physician partners should not be forced to endure threats of cuts and closures as solutions – instead, we should be having discussions about what is possible and how we provide responsible care. Hawai'i Pacific Health provides the potential to have that conversation.

Because of these reasons I ask for your strong consideration in extending the ability for Maui's hospitals to continue its due diligence in this matter, and urge you to support HB1075 HD1.

Mahalo.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 8:50 AM
To: LABtestimony
Cc: alohafidlr@aol.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Joel Gimpel	Individual	Support	No

Comments: Though I support the concept and goal of HB 1075, I believe the requirement that a partner be licensed to do business in Hawaii for at least ten years imposes an unnecessary and, indeed, unconstitutional requirement restricting interstate commerce that could result in defeating the purpose of the legislation. Such a requirement could, for example, be used by a disgruntled person or entity to challenge any proposed partnership with a local health system. I therefore urge that the requirement be deleted from the bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 9:05 AM
To: LABtestimony
Cc: cliffw001@gmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
William R. Cliff	Individual	Support	No

Comments: I strongly support HB1075. It is the first serious attempt to establish the practicality and viability of a Public Private Partnership as a long term solution to provide comprehensive health care on Maui. A solution of this type has been recommended for many years in studies funded by this legislature. This legislation only allows copetent health care organizations to negotiate and does not give up any authority to approve, deny, or modify held by the state and other stakeholders.

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Dear Committee Chairs and members,

Please Support HB 1075 to allow Maui Memorial Hospital to enter into a public private partnership. Such a partnership will leverage state dollars, improve facilities and services, and retain jobs on Maui.

MMMC is our only choice on Maui. We can't go down the street to another hospital. Flying to Oahu or elsewhere for services is a huge financial and emotional burden to Maui residents, not to mention the delay in critical care that it can cause.

We need MMMC to be a great hospital. Adequate funding by the legislature is unlikely as budgets are being cut, not grown. A public private partnership will bring private dollars to help grow and improve our only hospital.

The HGEA opposes this bill because it says we will lose union jobs. What they don't say is that we are losing those jobs due to state budget cuts if we do nothing! MMMC will employ more people on Maui if HB 1075 is passed!

We hope you will support this legislation until it passes!

Thank YOU!
Tamar Goodfellow

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 11:23 AM
To: LABtestimony
Cc: steveg@goodfellowbros.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
James Stephen Goodfellow	Goodfellow Bros., Inc.	Support	No

Comments: Dear Committee Chairs and Members, Goodfellow Bros. Inc. employs more than 600 people. Each of our employees and all of their family members deserves to have top quality health care right here where we live. HB 1075 allows a public private partnership for Maui Memorial Medical Center, our only hospital. This legislation deserves your support. The state can no longer afford to manage and operate our hospital. Dramatic cuts are already pending, and we have no other alternative for health care on Maui. Flying to Oahu is not a viable option, nor a reasonable stop gap measure. This is an opportunity to leverage private dollars and retain and create more jobs on Maui. These are jobs that will be lost due to state budget cuts if this partnership is not implemented! Please support HB 1075. Thank You, Steve Goodfellow

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State of Hawaii
House of Representatives
The twenty-Eighth Legislature
Regular Session of 2015

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokalole, Vice Chair

Rep. Henry J.C. Aquino	Rep. Joy A. San Buenaventura
Rep. Sharon E. Har	Rep. Gregg Takayama
Rep. Linda Ichiyama	Rep. Roy M. Takumi
Rep. Aaron Ling Johanson	Rep. Kyle T. Yamashita
Rep. Matthew S. LoPresti	Rep. Andria P.L. Tupola

Date: Tuesday, February 17, 2015

Time: 10:00 AM

Place: Conference Room 309

State Capitol

415 South Beretania Street

TESTIMONY IN SUPPORT

HB 1075, HD1

Authorizes the Maui Regional System to enter into an agreement with a private entity to transition one or more of its facilities into a new private Hawaii nonprofit corporation.

Chair Nakashima, Vice Chair Keohokalole and Members of the Committee,

My name is Susan Stewart. I am acting CMO of Maui Memorial Medical Center (MMMC) and a former member of the Maui Regional Board. I was a physician actively caring for patients at MMMC from 1986 until June of 2013. I have personally witnessed the improvements in patient care on Maui and the expansion of medical services available to the people of Maui. For the past year I have worked in administration at the hospital and have had first-hand experience with the difficulties encountered in delivering care and expanding services while working in a system encumbered by work rules and union rules that are not suited to a 24/7 hospital operation. These rules often force us to be inefficient and wasteful of valuable resources.

I do not feel that Maui Memorial should be the "Mayo of the Pacific." I do feel that medical care that is of proven value, that saves lives and prevents disability, needs to be provided to our population. Yes we need our heart program because minutes lost in treatment translate into bad outcomes. Yes we need our stroke program because minutes can mean the difference between full recovery and a life spent in a wheel chair. Yes we need our trauma services because appropriate and prompt intervention can mean

the difference between life and death. Saying that these services are available on Oahu and therefore are not needed here undervalues the lives of our citizens.

Changes in medical care and documentation have placed increased stress on an already stressed system. New layers of expenses are continually being added for coding, documentation and reporting. In addition our employment expenses have risen significantly. Despite being unprecedentedly busy this winter our revenues cannot keep up with the expenses. We need help to avert cutting services and to be able to continue to provide quality care to the citizens of Maui and ideally to further expand services.

The message we at Maui Memorial Medical Center are getting from the state is that you cannot afford to help us. I appreciate the fiscal reality that the legislature and governor face. I am sympathetic. You have difficult choices you need to make. But I feel we have an alternative available that will not place further fiscal strain on the Hawaii State Government, and will allow us to achieve our medical goals and that solution is HB 1075, HD1.

Thank you for your attention.

State of Hawaii
House of Representatives
The twenty-Eighth Legislature
Regular Session of 2015

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokalole, Vice Chair

Rep. Henry J.C. Aquino	Rep. Joy A. San Buenaventura
Rep. Sharon E. Har	Rep. Gregg Takayama
Rep. Linda Ichiyama	Rep. Roy M. Takumi
Rep. Aaron Ling Johanson	Rep. Kyle T. Yamashita
Rep. Matthew S. LoPresti	Rep. Andria P.L. Tupola

Date: Tuesday, February 17, 2015

Time: 10:00 AM

Place: Conference Room 309

State Capitol

415 South Beretania Street

TESTIMONY IN SUPPORT

HB 1075, HD1

Authorizes the Maui Regional System to enter into an agreement with a private entity to transition one or more of its facilities into a new private Hawaii nonprofit corporation.

Chair Nakashima, Vice Chair Keohokalole and Members of the Committee,

My name is Sandra Clifton and I am an employee of Maui Memorial Medical Center and a resident of Maui. I ask you to please consider assisting Maui Region's healthcare system by approving HB 1075, HD1. I believe that a public/private partnership is a necessary life line in order to provide and sustain quality medical services for our community.

Thank you for your consideration in support of HB 1075, HD1.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 1:26 PM
To: LABtestimony
Cc: oluolu@maui.net
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Helen Nielsen	Individual	Support	No

Comments: I am writing in SUPPORT of this bill. Our hospitals in Maui County are crucial. Those of us who live here on Maui have No Where Else To Go. Those who live on Oahu have choices. We do not. We need these services to continue and to be sustainable. Of course, as legislators, you know this better than I do. Not only does this plan continue to provide essential medical services but also is a big part of our economy. I have every confidence in Maui Memorial's Executive Director's plans to bring this forward. Please support this private/public partner ship. Please support HB 1075. Thank you for considering my testimony.

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COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālōle, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Keohokālōle,

Thank you for the opportunity to provide testimony in support of HB 1075.

My name is Sharon Coelho and I am a resident of Maui and work full-time as a judicial clerk for the State of Hawaii.

As a Maui resident, I grow more concerned each day. Our hospital system in Maui County is in need of your support. I am afraid that increasing labor, medical and improvement costs will continue to grow the deficit the hospitals currently face.

The idea that we are even contemplating severe cuts in hospital services is ridiculous. We have the opportunity to go beyond placing a bandage on this wound; we have a solution and a partner.

The stresses on labor in Maui County will be devastating. Please allow our hospitals the ability to continue their due diligence and find a working solution with our potential partner.

Thank you.

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālolo, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Keohokālolo,

Thank you for the opportunity to provide testimony in support of HB 1075.

My name is David Kapoi and I am a small business owner in Wailuku, Maui.

As a parent, I grow more concerned each day. Our hospital system in Maui County needs your support. When our son was 18 months old he got really sick and needed to be flown to Kapiolani for care. Thankfully, we had the support of friends and family to make the trip and be by his side to recover, but not everyone is as fortunate and when it came time for reimbursement from our insurer, only one parent was reimbursable. What parent does not want to be by their child's side when they are in need? The neighbor islands should not be expected to endure a second level standard of care because of delays imposed by this process.

The idea that we are even contemplating cuts in basic hospital services is ridiculous. The leadership of MMMC and HPH have a solution and I am hopeful that this body will allow them to continue.

Please allow our hospitals the ability to continue their due diligence and find a working solution with our potential partner.

Thank you.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 6:52 PM
To: LABtestimony
Cc: kris_saludares@yahoo.com
Subject: *Submitted testimony for HB1075 on Feb 17, 2015 10:00AM*

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Krislynn Saludares	Individual	Support	No

Comments:

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February 15, 2015

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālolo, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

**House Bill 1075 HD1
TESTIMONY IN SUPPORT**

Chair Nakashima and Vice Chair Keohokālolo,

I am writing in strong support of HB1075, a bill to enable a partnership between the hospitals of the Maui Region of HHSC and a private nonprofit partner. I am a graduate of the UH Family Medicine Residency, an assistant clinical professor in the department of Family Medicine at JABSOM and the medical director of Kula Hospital and Clinic. I have practiced on Maui for 17 years and have been the Kula Hospital medical director for the past 6 years. As a physician who practices in both clinical and administrative capacities at Kula Hospital I have seen both the wonderful patient care we give and the hurdles we have to leap as a state agency to accomplish that. As a quasi-state agency we are hampered by state rules regarding contracting, procurement, recruitment, and management in our efforts to adjust to the changing healthcare environment. I have many stories about how these rules and regulations have affected our ability to operate including the 1.5 years it took me to recruit a quality, appropriate family physician to an attractive full time outpatient position at Kula Clinic. As a state agency we cannot be nimble enough to survive and thrive in this rapidly changing field.

This is the THIRD year the Maui Region has supported legislation to allow a private nonprofit partnership as a path toward sustainable quality healthcare for Maui. The model of a private nonprofit partner was recommended in the 2009 Stroudwater report commissioned by the legislature by the independent Stroudwater and Associates firm. Last year heard feedback from the legislature that a bill with a local partner and specific details was required. HB1075 is supported by HPH, the largest healthcare provider in Hawaii, and includes details about how the partnership can be accomplished.

As each year that passes without enabling legislation, we face greater difficulties in maintaining quality services and recruiting providers to our community. Updated physician workforce data estimate that we are short 113 physicians for our population on Maui. It is terribly difficult to recruit desperately needed physicians to a medical community in a fiscal crisis with an uncertain future. As each year passes our system is more stressed and becomes less and less attractive to a private partner.

Maui Memorial Medical Center is the only acute care hospital on Maui. It is difficult for residents of Oahu, where you can actually walk from one acute care hospital to another, to imagine depending on only 1 acute care hospital. On our island, if MMMC fails, our community fails. Maui residents have asked for this legislation for 3 years now. This year we have a serious, respected, long term local partner in HPH working with us. Do not let this opportunity slip through your fingers as it may not come again. Please pass HB1075 and allow Maui residents to have access to a sustainable healthcare system.

Respectfully submitted,
Nicole Apoliona, M.D.
Medical Director, Kula Hospital and Clinic

keohokalole2-Relley

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 7:19 PM
To: LABtestimony
Cc: garrenoura@gmail.com
Subject: *Submitted testimony for HB1075 on Feb 17, 2015 10:00AM*

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Garren Oura	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 15, 2015 9:36 PM
To: LABtestimony
Cc: janjlau@gmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/15/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Janice Lau	Individual	Support	No

Comments: I support this bill that will allow Maui Medical systems to partner with private entities in forming new private non profit corporations. This will improve the quality of health care in Maui County which is needed.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 8:23 AM
To: LABtestimony
Cc: traci.nunokawa@gmail.com
Subject: *Submitted testimony for HB1075 on Feb 17, 2015 10:00AM*

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Traci Ing	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 9:52 AM
To: LABtestimony
Cc: kalepa@maui.net
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Starr	Individual	Support	No

Comments: Honorable Representatives, Please help us citizens of Maui, who are hoping that HB1075 will pass this year, and that a partnership arrangement can successfully enable us to have the quality in medical care on Maui that we have been served with at our excellent Maui Memorial hospital and other medical facilities on Maui. The prospect of looming financial disarray in our island medical system is worse than scary: we depend on Maui Memorial for our survival at times, and most of us who have been around for a while credit past excellence with our survival and health. Please do not allow it to become broken. Please support HB 1075 and associated legislation, as it is the only viable option for the health of Maui's people. Aloha, Jonathan Starr Kaupo, Maui

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 10:31 AM
To: LABtestimony
Cc: tdorheim@mac.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Tracy Dorheim	Individual	Comments Only	Yes

Comments: I am Dr Tracy Dorheim - a cardiothoracic surgeon at Maui Memorial. I am in support of HB1075 We have successfully taken care of hundreds of patients (visitors and locals alike) who have had serious - life threatening cardiac events. Their well being is not due to any one person - but due to the dedicated team of physicians, nurses and healthcare providers on our service line. many of these patients would not have survived - or would be cardiac cripples if this service did not exist. The present model for HHSC does not allow for the growth or sustainability of such services. For many years the system has operated by crisis management. This is a poor way of doing business- and a worse way to care for people's lives. I spent years in education and training to be allowed to practice cardiac surgery. I learned a long time ago to put the patient first. This ensures good outcomes,a successful career, and a good nights sleep. I encourage you to do the right thing. Put the citizens of Maui County first - ahead of any socio-economic and political special interests. Bill 1075 is the opportunity to do the right thing.

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COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālolo, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Keohokālolo,

Thank you for the opportunity to provide testimony in support of HB 1075.

My name is Peter A. Horovitz. My wife Liana grew up on Maui, and I have lived in Hawaii for over 22 years, most of that on Maui. My wife and I have two children ages 10 and 13 and access to quality health care professionals and facilities is vitally important to us.

I also serve as the President of the Pacific Cancer Foundation (“PCF”), a Maui based non-profit that serves the needs of Maui County’s cancer patients in areas beyond that which either the health care system or health insurance can provide. As PCF president, I have seen that while our health care professionals are exemplary, the structure under which they operate is simply not sustainable. That hurts us all.

We are an island community with very limited options for immediate and long-term care. It is important that our residents have access to quality care within our community given both travel costs, and the disruption to lives that remote care requires.

We all know the financial strain that Maui Memorial Medical Center and its satellite hospitals have been under. We all know that there is a need to move towards a different, innovative financial model. We also know that the current fiscal and structural status quo is unsustainable and will lead to reduced quality and access to care. This is absolutely unacceptable.

Maui both needs and deserves the ability to move quickly towards an organizational model that is not only sustainable but that will allow our hospitals to thrive. HB 1075 is not perfect, but it gives us more of what we all agree is needed, sooner.

For my family, and for my children, and for our community, I urge you to support HB 1075.

Mahalo,

A handwritten signature in blue ink, appearing to read 'Peter A. Horovitz', with a large, stylized initial 'P'.

Peter A. Horovitz

Testimony of Nick Hughey

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair

Rep. Jarrett Keohokalole, Vice Chair

Rep. Henry J.C. Aquino

Rep. Joy A. San Buenaventura

Rep. Sharon E. Har

Rep. Gregg Takayama

Rep. Linda Ichiyama

Rep. Roy M. Takumi

Rep. Aaron Ling Johanson

Rep. Kyle T. Yamashita

Rep. Matthew S. LoPresti

Rep. Andria P.L. Tupola

DATE: Tuesday, February 17, 2015
TIME: 10:00 a.m.
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

**TESTIMONY IN SUPPORT
House Bill 1075**

Chair Nakashima and Vice-Chair Keohokalole, and members of the House Committee on Labor and Public Employment

My name is Nick Hughey, Chief Business Officer of Hawai'i Health Systems Corporation – Maui Region. Thank you for the opportunity to provide testimony on House Bill 1075.

The Maui Region hospitals, which include Maui Memorial Medical Center, Lāna'i and Kula Hospitals, are in need of help. We are at a critical point as an organization, professionals and as a community.

Maui Memorial Medical Center is the only acute care hospital in Maui County, we have no private hospitals, as such, we are left to care for all of Maui. We have continual fiscal challenges in meeting the increasing medical needs of community. We are striving to provide more services to our County and for persons who visit our islands.

We are proud of our efforts over the last several years to improve the services for the County of Maui as well as improve our financial position. During the period from 2008 to 2013, we were able to increase our Operating Revenues by \$72.6 million, while our Operating Expenses only increased by \$55.1 million for the same period.

At the same time, we improved our financial situation, we also increased and improved services to our community, our heart program, stroke program, and trauma programs are proof of our efforts to improve the healthcare in the county of Maui.

In 2014, the healthcare landscape changed.

The regional revenues started feeling the effects of reduced reimbursements related to the Affordable Care Act, as well as the reality we have started reaching capacity in many areas of the hospital and the ability to grow Revenues without significant investment have been diminished. In 2014, the impact effects of requirements related to requirements related Electronic Medical Records as well as increased collective bargaining costs. That year, our revenues increased \$800,000, while our operating expenses increased \$19 million (of which \$9.9 million was related to EMR/ICD-10 implementation costs; and \$10.8 million was related to increases in Salaries, Wages and Benefits.

For FY 2015, revenues for the first half of the year have not shown an increase over last year and remain flat and we are seeing further increases in expenses related to inflation and negotiated salaries, wages and benefits. This is exacerbated by the fact that the general fund appropriations to HHSC were reduced by approximately \$17 million..

The above mentioned trajectory cannot continue.

As a region, if decreasing operating expenses is the only available option, the region will have to consider decreasing services to Maui County. Maui Memorial has already closed its Adolescent Behavioral Health division – a loss that has affected Maui and Hawai'i Counties.

The attempt to create a public-private partnership is to allow Maui Region's hospitals to maintain and expand services. The partnership opportunity provides Maui County the ability to maintain and grow medical services to meet the needs of our growing community.

HB 1075 provides the opportunity for Maui Region to explore opportunities to reduce subsidies to maintain the status quo, increase services and provide competitive fair market value private sector compensation.

The HHSC- Maui Region values our staff – every single one of them is the soul and heartbeat of this region.

The need to create public-private partner is an opportunity to find a viable long term solution.

Mahalo,

Nick Hughey, RN, MBA, FACHE

HHSC- Maui Region Chief Business Officer

Maui Memorial Medical Center*Kula Hospital and Clinic*Lanai Community Hospital

Dr. John E. Janikowski
PO Box 631732
Lanai City, HI 96763
janikowskis@gmail.com
H: (808)565-7805 C: (760)401-9610

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair

Rep. Jarrett Keohokālole, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1075 HD1

TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Keohokālole,

Thank you for the opportunity to provide testimony in support of HB 1075.

My name is John Janikowski, DO. I am currently the Medical Director of Lana`i Community Hospital and the Site Chief of Straub Lana`i. Through our clinic, activities with our partners, and the coverage we provide at the Lana`i hospital, we deliver the majority of healthcare on Lana`i. As a primary care physician responsible for covering outpatient family practice services, acute care, emergency room coverage, and Long Term Care oversight and medical management, for Lana`i hospital I believe I possess valuable insight about the medical needs, of our community. It is imperative we have an opportunity to develop a private partnership in order for Lana`i and Maui to have the best medical services. The health impact of reduction or loss of services, especially in the Critical Access Hospitals, is unfathomable and the improvement and development of a private partnership is not only wise business but a long overdue solution this community and its members deserve. I have heard this sentiment from many other community members.

As the senior most full time physician on Lana`i, having lived and worked here for almost six years, I find that recruitment and especially retention of medical personnel to be a major issue. A private partner is likely to have the resources to address this vital issue. While assisting with development of ancillary services and support staffing as it would relate. Additionally, a partnership and increase in services would allow for improvements with economic development which is not only our goal, but that of many organizations and individuals on Lana`i.

I personally and professionally request strong support in extending the ability for Lana`i and Maui hospitals to continue its due diligence in seeking partnership options for our healthcare systems.

Sincerely,

Dr. John E. Janikowski

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālolo, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Keohokālolo,

Thank you for the opportunity to provide testimony in support of HB 1075.

My name is Patricia Drennan. I have been a resident of Lanai for 17 years. I have seen the challenges of Health Care on our Island: Children being flow off island due to lack of Pediatric Care. New Mothers staying weeks in Oahu before delivering, due to lack of OB Care. Etc, etc,

This Health Care issue is important to my family and I and has vast impacts that extend far beyond Maui County.

The thought of services reduced in the only major hospital in Maui County is frightening. We must have the option of finding a private partner in order for Maui to have the best medical services, services we deserve.

Any service or section of the hospital closing may be beneficial to cost savings, but such actions would affect the quality of services and above that, it would be a huge burden to employees and their families – either a loss of a job or the burden of carrying more responsibilities with less employees.

Maui Memorial Medical Center is one of the largest employers in Maui County. Reduction in employment numbers would affect all of Maui County by increasing unemployment numbers, straining the County's economy and adversely affecting medical services across all three islands.

Because of these reasons I ask for your strong consideration in extending the ability for Maui's hospitals to continue its due diligence in this matter.

Mahalo.

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālolo, Vice Chair

DATE: Tuesday, February 17, 2015
TIME: 10:00 AM
PLACE: Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Keohokālolo,

Thank you for the opportunity to provide testimony in support of HB 1075.

My name is Karen Worthington. I am a parent and children's policy attorney who lives in Kula, Hawaii, just a few miles from Kula Hospital.

This issue is important to my family and me and has vast impacts that extend far beyond Maui County. Access to quality health care services is a strong consideration for many families when deciding whether to remain on Maui, or to move here.

The thought of services reduced in the only major hospital in Maui County is frightening. We must have the option of finding a private partner for the hospitals of the Maui Region of HHSC in order for Maui to have the best medical services, services we deserve.

Closing parts of the hospital or reducing services may seem like a beneficial cost-saving option in the short-term, but such actions have devastating long-term effects on Maui County. Cuts affect the quality of services and place a huge burden on the residents of Maui. When needed medical services are not available here, people either go without the services or struggle to pay for trips to Oahu or elsewhere to receive appropriate medical and psychiatric care.

Any kinds of cuts or service reductions also cause great hardships for HHSC employees and their families – either a loss of a job or the burden of carrying more responsibilities with less employees. Maui Memorial Medical Center is one of the largest employers in Maui County. Reduction in employment numbers would affect all of Maui County by increasing unemployment numbers, straining the County's economy and adversely affecting medical services across all three islands.

Because of these reasons, I ask for your strong consideration in extending the ability for Maui's hospitals to continue its due diligence in this matter. This is the third year the

Maui Region has supported legislation to allow a private nonprofit partnership as a path toward sustainable quality healthcare for Maui. SB795 is supported by HPH, the largest healthcare provider in Hawaii, and includes details about how the partnership can be accomplished. Please pass SB975 and allow Maui residents to have access to a sustainable healthcare system.

Sincerely,

A handwritten signature in cursive script that reads "Karen Worthington".

Karen Worthington, JD
66 Puakea Place
Kula, HI 96790

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokālolo, Vice Chair

DATE: Tuesday, February 17, 2015
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PLACE: Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1075 HD1
TESTIMONY IN SUPPORT

Chair Nakashima and Vice Chair Keohokālolo,

Thank you for the opportunity to testify in support of HB 1075.

My name is _____. *Explain who you are and what you do.*

As a Maui resident, I grow more concerned each day. Our hospital system in Maui County is in need of your support. I am afraid that increasing labor, medical and improvement costs will continue to grow the deficit the hospitals currently face.

The idea that we are even contemplating severe cuts in hospital services is ridiculous. We have the opportunity to go beyond placing a bandage on this wound; we have a solution and a partner.

The stresses on labor in Maui County will be devastating. Please allow our hospitals the ability to continue their due diligence and find a working solution with our potential partner.

Thank you.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 2:53 PM
To: LABtestimony
Cc: doug789@mac.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM
Attachments: For Testimony.docx

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Schatz	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Anthony P. Takitani
Gilbert S.C. Keith-Agaran
David M. Jorgensen

24 North Church Street, Suite 409
WAILUKU, MAUI, HI 96793-2222
(808) 242-4049 • FAX (808) 244-4021
dave@tonytlaw.com

Joseph L. Wildman
Eve M. Green
Of Counsel

TAKITANI, AGARAN & JORGENSEN

A Law Partnership

February 16, 2015

REP. MARK M. NAKASHIMA, CHAIR
REP. JARRETT KEOHOKALO, VICE CHAIR

Re: HB 1075, HD 1 Relating to Health;
2/17/15 Hearing Before Committee on Labor and Public Employment

Aloha Chair Nakashima and Vice Chair Keohokalole,

My name is Dave Jorgensen. I'm an attorney and 23 year resident of Wailuku, Maui, and I'm submitting this testimony in support of **HB 1075** to authorize the Maui regional health care system to enter into an agreement with a private entity to provide health care services in Maui County.

Maui Memorial Medical Center, Kula Hospital and Lanai Community Hospital have been an integral part of our community for generations. Almost every Maui resident has received or knows someone who has received care at one of these great facilities. The islands of Maui County have over 160,000 combined residents, and over 2.3 million visitors each year. This may seem insignificant compared to Oahu in numbers, but also consider that we only have one full-service, acute care hospital to rely on for everything from a broken bone, to childbirth, to triple bypass surgery. Our growing community, like Oahu's, has medical needs that require access to quality healthcare, close to our homes and our families where healing happens best. We deserve it.

Can you imagine if all C-sections had to be performed on Oahu, or a child with a broken arm had to be airlifted to Honolulu for treatment? Can you imagine what that would do to our families – physically, emotionally and financially? Can you imagine the volume of patients that would now be transferred to Oahu and what that would do to further exacerbate ER wait times, bed availability and the physician shortage problems our state is already facing if we can't have a functioning healthcare system on the second most populated island in the state?

Maui Memorial Medical Center is also one of the largest employers in Maui. If even more services are lost, we'll inevitably be putting these jobs on the line. Everyone is affected by the loss of healthcare services on Maui: all employees, children and kupuna, residents and visitors alike.

I urge you to put the health of our residents, both physical and financial, first. The time is now. This issue cannot be sidestepped any longer in an Oahu-centric view of the State without seriously and adversely affecting our community. Any further reduction in staff or services as an answer to this financial crisis will have a devastating effect on our community...your community. Cutting is not the answer. And with further reduction in support from the state, you are leaving less and less options. It is up to you to save our hospitals.

Mahalo for your consideration.

DAVID M. JORGENSEN

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 2:44 PM
To: LABtestimony
Cc: championhome@hotmail.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Arnold Abe	Individual	Comments Only	No

Comments: Testimony Opposing H.B. 1075, relating to Hawaii Health Systems Corporation Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee: Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Arnold Abe, I live in Wailuku, and I work as a Civil Engineer. I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits. Hawaii can do better. It would be prudent to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2015 3:40 PM
To: LABtestimony
Cc: susannepayn@yahoo.com
Subject: Submitted testimony for HB1075 on Feb 17, 2015 10:00AM

HB1075

Submitted on: 2/16/2015

Testimony for LAB on Feb 17, 2015 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
susanne payn	Individual	Comments Only	No

Comments: Aloha, I am writing to express my concern over the privatization of the hospital. It seems like the vendor is not taking any risk, the state will pay for all the capital expenditures as well as a hefty subsidy for the first 10 years. I agree that an audit should be done, we have too many chiefs and not enough indians (an expression). After review, maybe the state and employees can sit down and discuss changes that would help the hospital (starting at the administrative levels) and including employee wages/benefits. I wouldn't want to take cuts, but will be willing if its the only way to save my job? Maybe changing to PTO, example a new hire is entitled to a month of vacation, although I do feel that the old timers have earned the vacation, cuts like this might help. I feel that employees would be willing to work with the employer, especially if it means losing their jobs, or only having a guaranty for 6 months. It seems as though privatization will only bust the unions. Maybe a letter to the unions/employees explaining the options (privatization vs. wage/benefit cuts from you would help). Its better to have a job with a little less than to not have a job. You are all in our thoughts and prayers for this very important decision. May the Lord guide you, Aloha and God bless, Susanne Payn

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THE TWENTY-EIGHTH LEGISLATURE
THE HOUSE
REGULAR SESSION OF 2015
COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

DATE: Tuesday, February 17, 2015

TIME: 10:00 AM

PLACE: State Capitol, Conference Room 309
415 South Beretania Street

Testimony Opposing H.B. 1075, relating to Hawaii Health Systems Corporation

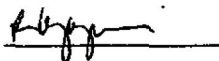
Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is REYNALDO AGUIRRE. I live in LAHAINA, and I work as a REGISTERED NURSE.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits.

Hawaii can do better. It would be prudent to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Sincerely,



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Testimony Opposing H.B. 1075, relating to Hawaii Health Systems Corporation

Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Christine Siador. I live in Wailuku, Maui, and I work as a Registered Nurse.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits.

Hawaii can do better. It would be prudent to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Sincerely,



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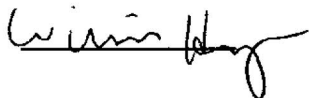
Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is William Henry, I live in Kula, Maui, and I work as a Registered Nurse.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits.

Hawaii can do better. It would be prudent to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Sincerely,



THE TWENTY-EIGHTH LEGISLATURE
THE HOUSE
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Testimony Opposing H.B. 1075, relating to Hawaii Health Systems Corporation

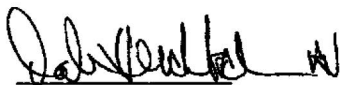
Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Dale Herschbach. I live in Kula, Maui, and I work as a Registered Nurse.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits.

Hawaii can do better. It would be prudent to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Sincerely,



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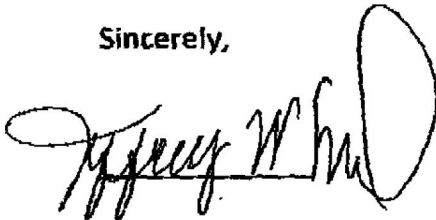
Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Jeffrey Wayne Smith I live in Maui Kinei HI and I work as a Respiratory Therapist.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits.

Hawaii can do better. It would be prudent to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Sincerely,



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Chair Rep. Mark M. Nakashima, Vice Chair Rep. Jarrett Keohokalole and members of the committee:

Thank you for this opportunity to testify on this very important measure that privatizes the Hawaii Health Systems Corporation. My name is Mei Honda. I live in Wailuke, and I work as a respiratory Therapist.

I strongly oppose H.B. 1075. The state's safety net hospital system should remain a public hospital system. If it is privatized there are no guarantees that the state will save money and thousands of employees would be at risk of losing their jobs and benefits.

Hawaii can do better. It would be prudent to recentralize Hawaii Health Systems Corporation and to conduct full financial and management audits.

Sincerely,

